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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED 02/16/06 **HB** _____

SPONSOR Rawson

SHORT TITLE UNM University and Research Consortium **SB** 342

ANALYST Williams

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$2,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 2, House Bill 51, House Bill 52, House Bill 127, House Bill 313

Relates to \$1 million special appropriation in 2005 General Appropriation Act and \$104.5 thousand in Laws of 2005, Chapter 34 (Senate Bill 190) for Technology Research Collaborative

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of Bill

Senate Bill 342 appropriates \$2 million from the General Fund to the Board of Regents of the University of New Mexico for a consortium of universities and research institutions to enhance relationships, encourage research and education issue collaboration and ensure those represented are not redundant in efforts on identical projects.

FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a recurring expense to the General Fund. R). Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the General Fund.

SIGNIFICANT ISSUES

HED notes: “UNM is part of a consortium of universities and research institutions that enhances relationships and encourages collaboration on research and education issues that impact the state. This bill will support a long-standing group called the New Mexico Research Council. The Council is made up of New Mexico's three research universities, White Sands Missile Range, Sandia Labs, Los Alamos Labs, Airforce Research Labs, and the Santa Fe Institute. The New Mexico Research Council will fulfill the obligation of the state as a national high tech fiber optic network participant.”

Laws of 2005, Chapter 81 (Senate Bill 169) authorized in state statute the Technology Research Collaborative (TRC), with the New Mexico Institute of Mining and Technology acting as fiscal agent. The TRC was formed in 2003. TRC members include the state’s national laboratories, major research institutes and three research universities: University of New Mexico, New Mexico State University and New Mexico Institute of Mining and Technology. General purposes of the collaborative are:

- Establishing advanced technology centers
- Developing, creating and commercializing new intellectual property
- Encouraging new opportunities for business and increased jobs
- Creation of a workforce to support new enterprises based on intellectual property

PERFORMANCE IMPLICATIONS

The bill does not specifically place an emphasis on linking the initiative to the state’s strategic plans for economic development and higher education and does not include performance accountability components, such as outcomes-oriented performance measures.

OTHER SUBSTANTIVE ISSUES

This proposal was not submitted as part of the HED research and public service project funding request process.

ALTERNATIVES

In 2003, the legislation established the technology enhancement fund, administered by the commission on higher education, to support innovative, applied research to enhance the state’s economic growth pursuant to the recommendations of the blue ribbon task force on the higher education funding formula. House Bill 391 (Chapter 367) identified specific research areas including agriculture, biotechnology, biomedicine, energy, materials science, microelectronics, water resources, aerospace, telecommunications and manufacturing science.

Grants from the technology enhancement fund are to be made available to the state’s research universities collaborating with corporate and nonprofit organizations. The commission on higher education is directed to award grant funds on a competitive basis with review by a panel of scientific and business experts. The award process would consider excellence in research design and innovation in cross-disciplinary, multi-campus and higher education-industry research collaboration. The university must have matching funds from non-state sources. To date, monies have not been appropriated to the fund.

Higher education institutions receive indirect cost revenues from federal contracts and grants. Further, this money is unrestricted in the sense that the governing board of the institution has the flexibility to choose which projects are supported with these funds. One of the purposes of retaining these funds is to provide seed money and matching funds for projects such as those proposed in this bill.

POSSIBLE QUESTIONS

1. What were the performance outcomes and economic impacts of the \$30.9 million of state funds previously provided to the state's Centers of Excellence?
2. Is this program related to existing state government and university initiatives?
3. How does the proposal compare/contrast with the BioTeP initiative task force?
4. Does the proposal incorporate best practices evident for economic development initiatives in other states? What examples can be provided?
5. How would the proposed program impact the New Mexico economy? What is the time frame for specific, achievable results?
6. How would rural communities benefit?
7. What is the total estimated cost of the initiative and the state's share?
8. How would funding be allocated?
9. How would planning and accountability be addressed? How would progress and outcomes be measured and promulgated?

AW/mt